

**OSTER**  
**Researching Services**

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RECORDATION NO. 24539 FILED

AUG 01 '03 9-51 AM

SURFACE TRANSPORTATION BOARD

August 1, 2003

Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423

Dear Sir:

Enclosed for recording with the Surface Transportation Board is a Memorandum of Security Agreement dated February 19, 2003, including the following parties and railroad equipment:

Secured Party: Wells Fargo Equipment Finance, Inc.  
733 Marquette Avenue, #700  
Minneapolis, MN 55402

Debtor: Red River Valley & Western Railroad  
116 South Fourth Street  
Wahpeton, ND 58075

Equipment: 30, 100-ton Covered Hoppers  
RRVW 1004-1033  
Previous #: PLMX (numbers attached)

Please record this agreement as a primary document. The filing fee of \$30 is enclosed.

Summary: Memorandum of Security Agreement 2/19/03 between Wells Fargo Equipment Finance, Inc. as Secured Party and Red River Valley & Western Railroad as Debtor including 30, Covered Hoppers, RRVW 1004-1033.

Sincerely,



Mary Ann Oster  
Research Consultant

Enclosure

RECORDATION NO. 24539 FILED

**MEMORANDUM OF  
SECURITY AGREEMENT**

AUG 01 '03 9-51 AM

*ca 11/27 (mtg)*  
SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") is made this 19th day of February, 2003, by and between Red River & Western Railroad, a North Dakota corporation ("Debtor"), and WELLS FARGO EQUIPMENT FINANCE, INC. a Minnesota Corporation ("Secured Party").

A. The Debtor is indebted to the Secured Party pursuant to that certain Promissory Note dated as of May 20, 2003 (the "Note") executed by the Debtor in favor of the Secured Party.

B. To secure the Debtor's obligations to the Secured Party, the Debtor executed and delivered to the Secured Party a Security Agreement dated May 20, 2003 pursuant to which the Debtor granted to the Secured Party a continuing, first priority security interest in and to, and lien on, the following collateral:

(a) Thirty (30) 1978-1980 Trinity 100 Ton Covered Hopper Rail Cars described on Schedule A attached hereto (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;

(b) all improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired;

(c) all logs, books and records pertaining to the use, operation and/or maintenance of the Railcars or otherwise relating to any of the collateral described herein;

(d) all rights, claims and causes of action, if any, which the Debtor may have now or in the future against any manufacturer, rebuilder or seller of the Railcars (or any component thereof) or any other Person, by contract of otherwise, in respect of any defect in the Railcars or any part thereof;

(e) all proceeds (cash and non-cash), including insurance proceeds, settlement proceeds and condemnation awards thereof.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

RED RIVER & WESTERN RAILROAD COMPANY

By: \* William F. Daurch  
Its: \* President & C.E.O.

WELLS FARGO EQUIPMENT FINANCE, INC.

By: Robert J. Haas  
Its: Contract Admin.



**Wells Fargo Equipment Finance**  
Investors Building , Suite 700  
733 Marquette Ave So  
Minneapolis, MN 55402

**Schedule A**  
To Memorandum of Security Agreement

Contract Number **109401-700** dated as of **May 20, 2003**

Debtor: *Red River Valley & Western Railroad Company*

Thirty (30) 1978-1980 Trinity 100 Ton covered Hopper Rail Cars with the following markings:

Old Markings		New Markings	
PLMX	12282	RRVW	1012
PLMX	12286	RRVW	1029
PLMX	12291	RRVW	1018
PLMX	12292	RRVW	1005
PLMX	12294	RRVW	1015
PLMX	12297	RRVW	1008
PLMX	12298	RRVW	1030
PLMX	12304	RRVW	1004
PLMX	12314	RRVW	1026
PLMX	12315	RRVW	1017
PLMX	12321	RRVW	1023
PLMX	12381	RRVW	1016
PLMX	12384	RRVW	1014
PLMX	12391	RRVW	1022
PLMX	12410	RRVW	1019
PLMX	12415	RRVW	1009
PLMX	12561	RRVW	1021
PLMX	12563	RRVW	1025
PLMX	12565	RRVW	1010
PLMX	12568	RRVW	1007
PLMX	12581	RRVW	1011
PLMX	12590	RRVW	1028
PLMX	12597	RRVW	1013
PLMX	12604	RRVW	1020
PLMX	12606	RRVW	1027
PLMX	12649	RRVW	1024
PLMX	128009	RRVW	1006
PLMX	10297	RRVW	1031
PLMX	10337	RRVW	1032
PLMX	10349	RRVW	1033

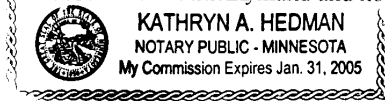
Dated: *May 20, 2003*



STATE OF Minnesota  
COUNTY OF Hennepin

On this 29 day of July, 2003, before me, a Notary Public of the City and State aforesaid, personally appeared William F. Drusch to me personally known, who being by me duly sworn, says that he is the PRESIDENT of Red River & Western Railroad Company, a North Dakota corporation, the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.



Kathryn A. Hedman  
Notary Public

My commission expires: JAN 31, 2005

STATE OF Minnesota  
COUNTY OF Hennepin

On this 30 day of July, 2003, before me a Notary Public of the City and State aforesaid, personally appeared Peter Naas, to me personally known who being by me duly sworn, says that (he/she) is a Contract Admin of Wells Fargo Equin that foregoing instrument is/was signed on behalf of said corporation by authority of its Board of Directors, and (he/she) acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

(Seal)

My commission expires:

[Signature]  
Notary Public

